

CORRECTED FISCAL MEMORANDUM

SB 2931 – HB 4052

March 12, 2008

SUMMARY OF AMENDMENTS (014337, 014111): Amendment One (014337) deletes the requirements for reporting operating expenditures on a per local education agency (LEA) and per school basis. Amendment Two (014111) defines “classroom expenditure” as any state and local expenditure appropriated for the BEP classroom component.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$476,000

Increase Local Expenditures - \$4,488,000

Other Fiscal Impact - Local Education Agencies will redirect funds to meet the new requirements for classroom expenditures. This will be done either by raising new revenue, cutting non-classroom expenditures, or a combination. The total expenditure redirection to meet the 70 percent requirement by FY12-13 is \$956,888,300. The total expenditure redirection to meet 80 percent by FY14-15 is \$4,671,164,700. The total expenditure redirection to meet 90 percent by FY16-17 is \$15,813,993,700.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

On March 12, 2008, we issued a fiscal memorandum on these amendments indicating that the fiscal impact of the bill was *unchanged from the fiscal impact of the original bill*. We received additional information from the Department of Education regarding these amendments. As a result, the corrected fiscal impact of this memo is as follows:

(CORRECTED)

Other Fiscal Impact - Local Education Agencies will redirect funds to meet the new requirements for classroom expenditures. This will be done either by raising new revenue, cutting non-classroom expenditures, or a combination. The total expenditure

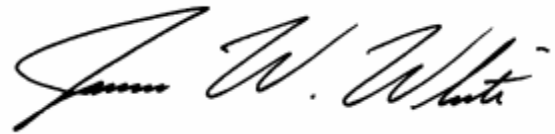
redirection to meet the 70 percent requirement by FY12-13 is \$956,888,300. The total expenditure redirection to meet 80 percent by FY14-15 is \$4,671,164,700. The total expenditure redirection to meet 90 percent by FY16-17 is \$15,813,993,700.

Assumptions applied to amendments:

- According to the Department of Education (DOE), deleting the requirements that individual schools report operating expenditures to the state will eliminate the need for additional DOE and LEA personnel and other administrative changes to monitor such expenditures. LEAs will still report operating expenditures to DOE.
- Using the current BEP definition for classroom expenditures will have no additional impact on state or local government.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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